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Comments of the Citizens Utility Board to:

The Illinois Commerce Commission's Request for Comments on Initial Assessments of Impact of Introducing Plug-in Electric Vehicles in Illinois

The Citizens Utility Board ("CUB") submits the following comments to the Illinois Commerce Commission ("ICC") for consideration under the Initiative on Plug-In Electric Vehicles (the "Initiative"). We appreciate the opportunity to comment on this important topic and look forward to working with other stakeholders to simplify the interconnection of Plug-In Electric Vehicles ("PEVs") in Illinois. PEVs represent a dramatic shift in the way that energy is used, enhance US energy security, and offer a host of potential benefits to the existing electricity grid. With this in mind, we believe that it is of the utmost importance that the Commission and all stakeholders keep focused on managing customer experiences with PEVs interconnection and charging.

As the initial utility assessments from the Ameren Illinois Utilities ("Ameren"), Commonwealth Edison Company ("ComEd"), and MidAmerican Energy Company ("MidAmerican") (collectively "the Utilities") demonstrate, there are a number of highly complex legal and technical issues that need to be dealt with in advance of PEV introduction in order to effectively manage this important industry transformation. We believe that this Commission effort can have the most impact by focusing on the customer experience. The Commission can affirm this focus

by clarifying that the purpose of the Initiative is to simplify the customer experience with PEV interconnection and providing a clear policy statement that future decisions will account for the impact that the decision has on the customer experience.

Focus of the Initiative

The existing goals of the PEV Policy Initiative are to¹:

- Determine the impact of the initial deployment of Plug-in Electric Vehicles (PEVs) on the State's electric grid
- Determine potential/future regulatory considerations necessary to accommodate PEVs
- Establish consistent statewide policies for managing PEV infrastructure & use
- Generate accelerated interest by auto manufacturers for introduction on PEVs into Illinois markets
- Craft consumer education and outreach information components

CUB agrees that these goals are critical to speeding up the adoption of PEVs in Illinois; however, we believe that the Commission should also provide an overarching policy statement regarding the purpose of the Initiative. The Commission should use this policy statement to clearly inform stakeholders that its focus is on the interconnection experience of early PEV adopters. Stakeholder processes are inherently complex and stakeholders are quickly drawn deep into the weeds of important issues. Knowing that the Commission's primary purpose is to hasten the adoption of PEVs in Illinois and to ensure that customers have a good experience is critical to managing the stakeholder process. We suggest that the Commission adopt the following Policy Statement on PEVs:

GOAL: It is the Commission's goal to enhance the experience of initial Plug-in Electric Vehicle (PEV) adopters by simplifying the interconnection of PEVs. The Commission believes that positive experiences by early PEV adopters will result in improved customer awareness and increase manufacturer interest in deploying PEVs in Illinois. Utilities and other stakeholders in Illinois should keep the customer experience with PEVs at the forefront of their thinking throughout this important process.

¹ Plug-In Electric Vehicle Policy Initiative Quick Fact Sheet

The Commission has also identified the following anticipated outcomes for the Initiative²:

- Developed Statewide standards/best practices for integration of PEVs into electric grid
- Developed Statewide policy framework for adoption of PEVs
- Initiated an infrastructure improvements strategy to maintain safe and reliable system operation
- Increased PEV auto manufacturer interest for launching PEV roll-out in Illinois
- Improved customer education and awareness of new green mode of transportation

CUB agrees with these anticipated outcomes and suggests that the Commission should also add one additional anticipated outcome to help focus the Initiative on the customer. The Commission should add the following outcome:

- Developed documents detailing, from a customer's perspective, all of the steps that have to be taken from vehicle purchase to receiving the first bill for charging from the utility. These documents should also clearly detail all associated timelines, communications channels, and interactions that the customer would encounter.

PEV and PEV Charging Infrastructure Deployment

Charging infrastructure development, particularly the installation of public charging infrastructure, involves a number of complicated legal and policy issues. Fortunately, efforts are already underway to explore many of these issues. The most efficient and effective way for the Commission to approach these issues is to work with ongoing initiatives, such as the ongoing initiative established by the City of Chicago Department of Environment. The Commission and stakeholders must work to ensure that coordination is occurring between ongoing PEV initiatives.

Distribution System Impacts

The Utilities all agree that the interconnection of PEVs into the existing electricity grid

² Plug-In Electric Vehicle Policy Initiative Quick Fact Sheet

could cause detrimental impacts. The utilities and CNT Energy/ I-GO Cars (“CNT/I-GO”) identify methods and processes that could be used, on their own or in combination, to help minimize this potential risk. Each of these methods will require significant discussion and coordination. As with all public policy initiatives, there is a very real risk that potential solutions could create unintended complications and time consuming interconnection procedures that could frustrate the customer experience. CUB is very concerned about the impact the PEVs will have on the existing electric grid, however, we believe that there are simple procedures that can be established to minimize this risk, without creating unnecessary burden or headaches for customers.

ComEd and CNT/I-GO both identify procedures that could be used to minimize the risk of negative effects on the electricity grid. CUB strongly supports CNT/I-GO’s suggestion that certain actions take place at the point of vehicle purchase. This issue is critical to simplifying customer experience. CUB’s primary interest is that all developed procedures are simple and clear enough to manage customers’ expectations throughout the interconnection process. We intend to represent this position during the upcoming Policy Committee and Stakeholder Workgroups. However, CUB also believes that the clearest and most effective way to minimize distribution system impacts will be to price vehicle charging appropriately.

Rate Options

CNT/I-GO, The Galvin Electricity Initiative, Ameren, and ComEd all agree that dynamic pricing programs are critical to addressing transmission and generation concerns presented by customers charging PEVs at peak demand times. ComEd’s analysis shows that PEV charging

customers could save between 27-67% by opting for Real-time prices instead of ComEd's base rates and charging their PEVs during the nighttime hours³. CUB believes that the most stable, cost effective, and simplest way to incorporate PEV charging onto the grid is to fold PEV customers into existing utility Residential Real Time Pricing programs. It would make little sense to confuse consumers with superfluous program offerings that achieve what existing residential real time pricing ("RRTP") programs have been developing over several years: the effective and smooth delivery of education and price signals to consumers. The upcoming evaluation of ComEd's Real Time Pricing Program and Ameren's Power Smart Pricing Program present an opportunity to incorporate PEV charging considerations into the existing programs.

CUB is also sensitive to the Commission's rules regarding Integrated Distribution Company's ("IDC"). These rules have been interpreted to prohibit the promotion, marketing, or advertising with regard to the provision of electric supply service. To minimize concerns regarding the IDC rules, CUB would support opt-out RRTP for PEV customers, provided that customer education, communication, and price support with respect to this rate are handled by trained professionals who already specialize in helping customers understand real time prices.⁴ However, customers should also be clearly informed of their right to receive budget billing for taking this service.

Information and Education to Consumers

³ ComEd Initial Assessment at 10

⁴ To be clear, CUB does not support opt-out RRTP for any other purpose. PEV early adopters are anticipated to be more environmentally conscious and aware, with the capacity to absorb short-term swings in their electricity bills. These qualities make them ideal candidates for aggressive dynamic prices, such as RRTP. There is also an equity issue, real time prices will discourage peak charging which could otherwise add significant system upgrade costs that would ultimately be born by all customers.

The Commission should not leave the utilities in charge of constructing information and educational campaigns for customers. Utilities alone cannot carry this message. In fact, utility messages have not proven themselves to be effective transformational vehicles. The Commission, and all interested stakeholders, should work with the utilities to develop consumer education and outreach information components. The Commission should also require the utilities to retain independent professionals who specialize in communicating PEV and pricing issues with customers. These trained professionals should use the stakeholder developed components to develop their materials. We believe that independent expert communication services are paramount to success of this effort.

Metering

CUB agrees with the utilities and the Galvin Electricity Initiative that single metering will keep costs low and deliver ease to the consumer and the utility.

Other Topics to be considered by the Policy Committee and Stakeholder Workgroups

CUB believes that the upcoming Policy Committee and stakeholder workgroups should evaluate

- i. How to enable battery storage to create greater efficiency in the grid through distributed generation and backup power;
- ii. How new PEV regulations should dovetail with the existing net metering law; and
- iii. How to encourage the integration of PEVs with small scale renewables, including solar PV.

About CUB

CUB was created by the Illinois General Assembly in 1983, as a nonprofit, nonpartisan

organization with a clear mission: to represent the interests of residential utility customers across the state. The statute directs CUB to carry out that mission by intervening in ratemaking proceedings before the Illinois Commerce Commission (ICC), in the courts and before other public bodies and by providing consumers with information and assistance regarding their utility companies. Since its inception, CUB has been doing just that—working for lower rates and better service from the state’s investor-owned electric, gas and telephone companies. Over the last 27 years, CUB has saved consumers more than \$10 billion by blocking rate hikes and winning consumer refunds, and has been referred to as the “gold-standard” for consumer advocates nationwide.

Any questions with respect to this submission can be directed to:

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